

ANNUAL REPORT TO STOCKHOLDERS



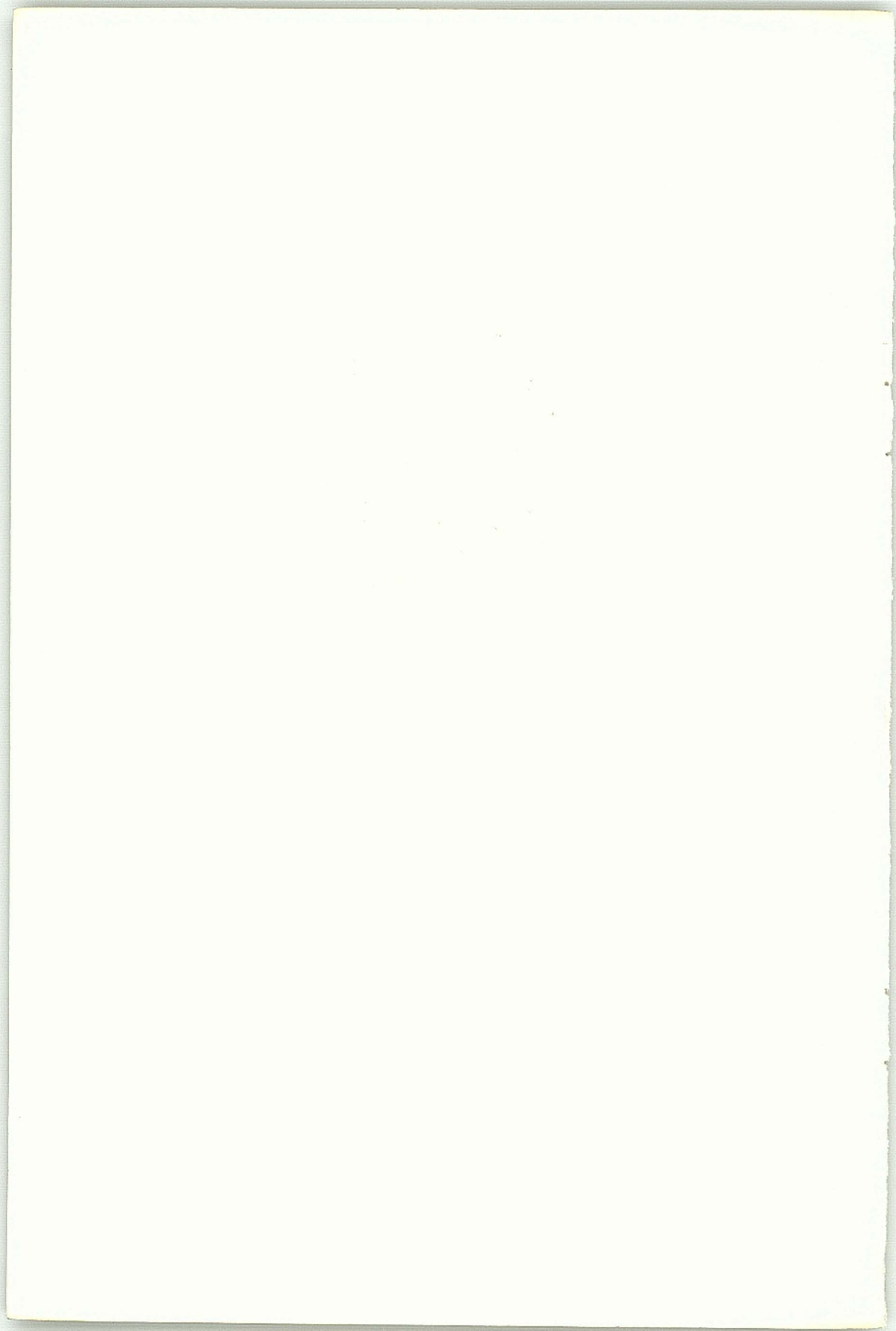
1954

THE COCA-COLA COMPANY
NEW YORK, NEW YORK

BOARDS

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ANNUAL REPORT
THE COCA-COLA COMPANY
AND ITS SUBSIDIARIES



FOR THE YEAR
1 9 5 4

THE COCA-COLA COMPANY

BOARD OF DIRECTORS

H. B. NICHOLSON, *Chairman*

A. A. ACKLIN	LINDSEY HOPKINS	HUGHES SPALDING
CHAS. H. CANDLER	J. P. ILLGES	E. W. STETSON
R. R. DEUPREE	HARRISON JONES	D. A. TURNER
A. B. FREEMAN	WINSHIP NUNNALLY	GEORGE W. WOODRUFF
BERNARD F. GIMBEL	WILLIAM E. ROBINSON	R. W. WOODRUFF

EXECUTIVE COMMITTEE

H. B. NICHOLSON, *Chairman*

A. B. FREEMAN		HUGHES SPALDING
BERNARD F. GIMBEL	HARRISON JONES	GEORGE W. WOODRUFF

FINANCE COMMITTEE

R. W. WOODRUFF, *Chairman*

CHAS. H. CANDLER	R. R. DEUPREE	E. W. STETSON	D. A. TURNER
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A. A. ACKLIN, *Chairman, Advisory Committee*

OFFICERS

WILLIAM E. ROBINSON	<i>President</i>
CHARLES W. ADAMS	<i>Vice President</i>
FELIX W. COSTE	<i>Vice President</i>
EDGAR J. FORIO	<i>Vice President</i>
HOLLAND B. JUDKINS	<i>Vice President</i>
O. E. MAY	<i>Vice President</i>
B. H. OEHLERT, JR.	<i>Vice President</i>
HAROLD S. SHARP	<i>Vice President</i>
E. D. SLEDGE	<i>Vice President</i>
JOHN C. STATON	<i>Vice President</i>
JOHN D. GOODLOE	<i>Vice President and Secretary</i>
EDMUND W. PUCH, JR.	<i>Treasurer</i>

TRANSFER AGENTS

WILMINGTON TRUST COMPANY <i>Wilmington, Delaware</i>
GUARANTY TRUST COMPANY OF NEW YORK <i>New York, New York</i>
TRUST COMPANY OF GEORGIA <i>Atlanta, Georgia</i>

REGISTRARS

EQUITABLE SECURITY TRUST COMPANY <i>Wilmington, Delaware</i>
CHASE NATIONAL BANK <i>New York, New York</i>
THE FIRST NATIONAL BANK OF ATLANTA <i>Atlanta, Georgia</i>

THE COCA-COLA COMPANY

NEW YORK, NEW YORK

March 7, 1955

TO STOCKHOLDERS OF
THE COCA-COLA COMPANY:

Net profit for 1954 was \$25,943,845 or \$6.07 a share after taxes and all other charges. Charges for the year included accelerated depreciation and provision for certain estimated expenses in the total amount of \$1,066,561, as permitted by the Internal Revenue Code of 1954. Such charges had the effect of reducing net profit after taxes by 11¢ a share.

During 1954, the necessary steps were taken to insure that Coca-Cola will be increasingly available in 1955 through so-called pre-mix vending machines. This new type of distribution for Coca-Cola involves the preparation of the finished beverage in large product tanks for transportation to vending locations. Although the supply of pre-mix equipment is still somewhat limited, this new method of distribution is already reaching many locations where Coca-Cola would not otherwise be available.

Our market research through the years has shown that the majority of the public prefer Coca-Cola in the standard 6½-ounce bottle — the world's most famous package. However, our recent studies indicate that there is also a potential market for Coca-Cola in larger size bottles, particularly for group refreshment in the home. For this reason, the Company is now engaged in testing the bottling and sale of Coca-Cola in intermediate king size and large family size bottles in a number of markets. The new-size bottles have the same distinctive shape as the standard size bottle.

A separate mailing will be made of proxy forms and notice of the annual meeting of stockholders to be held at 11 A.M., E.S.T., on Monday, May 2, 1955, at the office of the Company, 100 West Tenth Street, Wilmington, Delaware.

The consolidated balance sheet, profit and loss statement and earned surplus account appear on the following pages.

For the Board of Directors,

WILLIAM E. ROBINSON,
President

H. B. NICHOLSON,
Chairman, Board of Directors

CONSOLIDATED
THE COCA-COLA COMPANY AND I
December

ASSETS

CURRENT:

Cash	\$ 24,403,626.82
U. S. Government securities — at cost:	
(market price \$44,974,428.13)	44,976,268.37
Trade accounts receivable	
(less allowance of \$71,320.59)	14,476,459.68
Inventories	
(at lower of average cost or market)	<u>36,881,605.54</u>
TOTAL CURRENT ASSETS	\$120,737,960.41

MISCELLANEOUS RECEIVABLES AND INVESTMENTS 9,373,398.66

PROPERTY, PLANT AND EQUIPMENT:

At cost:

Land	\$ 4,522,559.12
Buildings	37,599,374.37
Machinery and equipment	49,234,473.54
Containers	<u>15,225,330.17</u>
	\$106,581,737.20

Less allowance for depreciation 43,002,145.31 63,579,591.89

FORMULAE, TRADE-MARK AND GOODWILL — at cost..... 40,091,426.72

DEFERRED CHARGES 2,943,915.43
\$236,726,293.11

The notes on page 7 constitute

BALANCE SHEET
 TS CONSOLIDATED SUBSIDIARIES
 31, 1954

LIABILITIES

CURRENT:

Accounts payable and accrued accounts	\$ 16,963,020.07	
Notes payable by subsidiaries		131,053.85
Accrued taxes — including taxes on income	\$ 30,226,606.32	
Less U. S. Treasury tax notes	21,304,042.74	8,922,563.58
TOTAL CURRENT LIABILITIES	\$ 26,016,637.50	

RESERVES:

For unremitted foreign profits.....	\$ 27,291,523.00	
For employees' retirement plan	826,814.79	28,118,337.79

MINORITY INTERESTS IN SUBSIDIARIES	367,283.59
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COMMON STOCK — no par value:

Authorized	5,000,000 shares	
Issued	4,280,805 shares	\$ 26,755,031.25

CAPITAL SURPLUS.....	1,825,112.24
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EARNED SURPLUS	154,874,712.50
	<u>\$183,454,855.99</u>

Less 12,727 shares of stock owned by Company — at cost.....	1,230,821.76	182,224,034.23
		<u>\$236,726,293.11</u>

an integral part of this statement.

THE COCA-COLA COMPANY AND ITS CONSOLIDATED SUBSIDIARIES
Year Ended December 31, 1954

CONSOLIDATED PROFIT AND LOSS STATEMENT

GROSS PROFIT	\$137,666,803.92	
EXPENSES		
Selling, administrative and general	82,292,378.44	
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OPERATING PROFIT	\$ 55,374,425.48	
Other deductions	\$ 3,920,523.08	
Less other income	3,383,501.30	537,021.78
		<hr/>
PROFIT BEFORE TAXES ON INCOME.....	\$ 54,837,403.70	
Provision for taxes on income — estimated.....	28,877,000.00	
		<hr/>
		\$ 25,960,403.70
Less portion of subsidiary earnings applicable to minority interests.....		16,558.27
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NET PROFIT	\$ 25,943,845.43	
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CONSOLIDATED EARNED SURPLUS ACCOUNT

Balance — December 31, 1953	\$150,293,357.07	
Net profit for the year ended December 31, 1954	25,943,845.43	
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		\$176,237,202.50
DEDUCTIONS		
Dividends paid in cash:		
Mar. 31, 1954 — \$1.00 per share.....	\$ 4,280,805.00	
June 30, 1954 — \$1.00 per share.....	4,280,805.00	
Sept. 30, 1954 — \$1.00 per share.....	4,280,805.00	
Dec. 14, 1954 — \$1.00 per share plus \$1.00 per share additional.....	8,561,610.00	
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		\$21,404,025.00
Less dividends on shares owned by Company during year.....	41,535.00	21,362,490.00
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EARNED SURPLUS — DECEMBER 31, 1954.....	\$154,874,712.50	
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The notes on page 7 constitute an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET:

1. *Foreign Operations.* The accounts of subsidiaries and branches operating in foreign countries, consolidated in this balance sheet, consist of: current assets, \$25,107,073.48 (including cash and government securities aggregating \$10,497,710.91); property, plant and equipment at depreciated cost, \$24,352,487.69; other assets, \$3,216,909.85; and liabilities, \$12,239,696.18. Fixed assets are stated at rates of exchange prevailing at dates of acquisition and all other assets at rates of exchange prevailing at December 31, 1954. Unremitted profits of such subsidiaries and branches, consolidated herein, are included as follows: \$27,291,523.00 in the reserve for unremitted foreign profits and \$3,493,097.14 in earned surplus.

CONSOLIDATED PROFIT AND LOSS STATEMENT:

2. *Depreciation.* Provision for depreciation in the amount of \$5,650,970.97 was charged to manufacturing and other expenses.

3. *Other Deductions.* Includes interest paid \$307,820.48; addition to reserve for unremitted foreign profits \$1,323,959.42; and addition to reserve for employees' retirement plan \$20,400.00, against which reserve has been charged \$202,621.60, the amount funded during the year.

4. *Foreign Profits Remitted.* Dividends from companies operating in foreign countries, the current profits of which are not reserved for, were \$1,759,094.84 less than the profits of such companies consolidated herein.

ACCOUNTANTS' REPORT

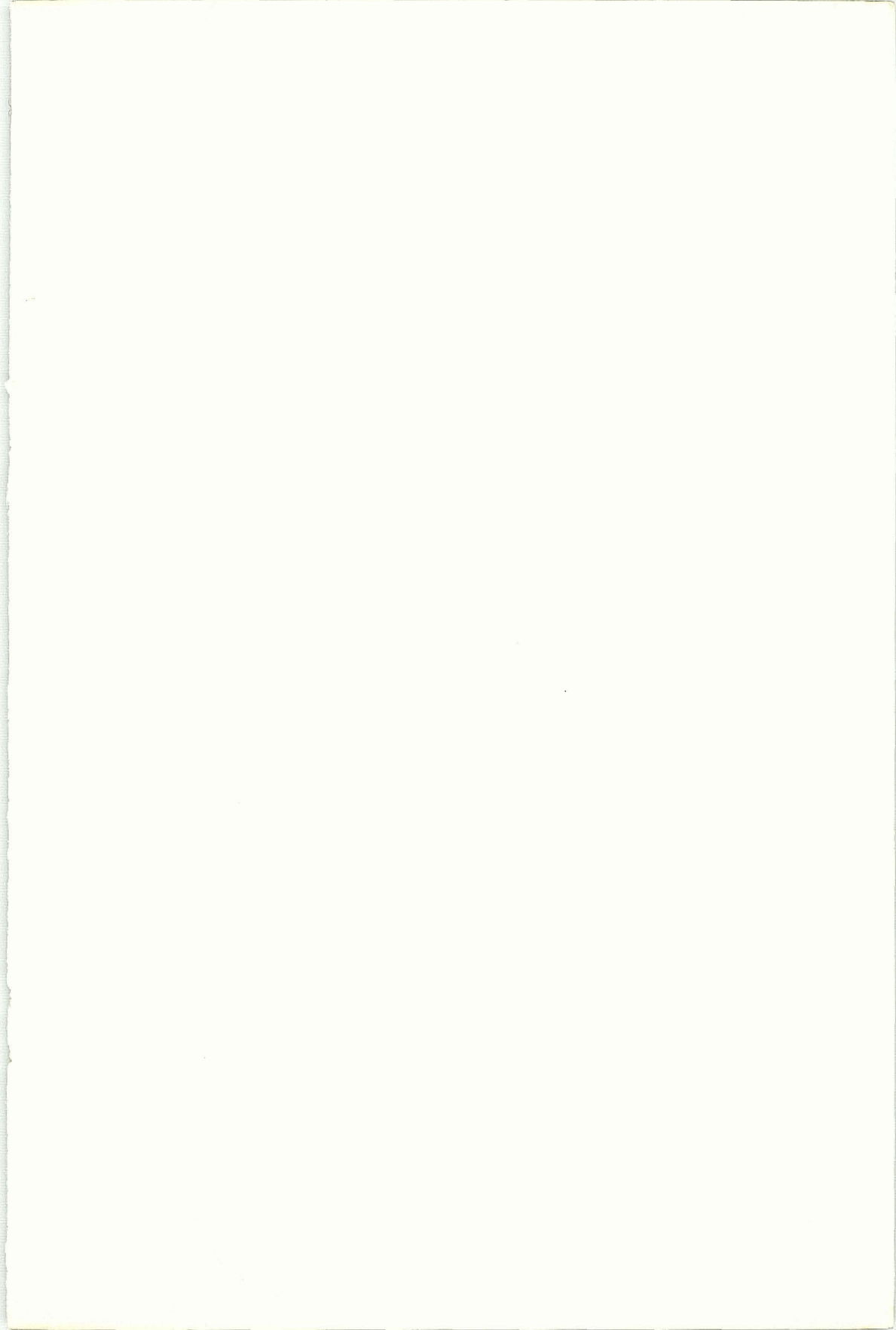
TO THE BOARD OF DIRECTORS
THE COCA-COLA COMPANY
NEW YORK, NEW YORK

We have examined the consolidated balance sheet of THE COCA-COLA COMPANY and its consolidated subsidiaries as of December 31, 1954, and the related statements of consolidated profit and loss and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of profit and loss and earned surplus present fairly the consolidated position of THE COCA-COLA COMPANY and its subsidiaries at December 31, 1954, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST
Certified Public Accountants

March 7, 1955



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